FACTS ON FILE

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WORLD AFFAIRS

East-West Relations

Khrushchev CP Speech. The USSR's foreign and domestic policies were given a major restatement by Premier Khrushchev Oct. 17 in a 6½-hour address at the opening session of the 23d Soviet Communist Party Congress.

The speech contained these 2 major disclosures related to the current East-West crisis over Berlin:

- The USSR was willing to withdraw its year-end deadline for the signing of a separate peace treaty between Russia and East Germany if the Western powers demonstrated willingness to negotiate on the future of Berlin and Germany.
- Current Soviet nuclear tests probably would be ended Oct. 30 or 31 with the detonation of a 50-megaton bomb—equivalent in explosive force to 50 million tons of TNT and more than 2½ times as powerful as any nuclear device yet tested.

(Khrushchev's statement was the first official Soviet announcement to the Russian people that the USSR actually had resumed nuclear tests.) [See p. 325B1]

The Khrushchev address was delivered before an audience of 4,008 voting delegates and 405 consultative delegates of the Soviet Communist Party and of members of observer delegations from 83 foreign Communist parties. The congress, first since the 1956 meeting at which Khrushchev had delivered his denunciation of Stalin's excesses, was held in a newly-built Palace of Congresses in the Kremlin grounds. [See p. 333B1]

Among Khrushchev's remarks in the 6½-hour speech:

Germany—As a result of the talks held by Soviet Foreign Min. Andrei A. Gromyko with Pres. Kennedy and State Secy. Dean Rusk, "we have the impression that the Western powers were displaying a certain understanding of the situation and that they were inclined to seek a solution for the German problem and for the West Berlin issue on a mutually acceptable basis." "If the Western powers show readiness to settle the German problem, the question of a deadline for the signing of a German peace treaty will not be of such importance. Then we shall not insist on the signing of the peace treaty before Dec. 31, 1961." The USSR's aims, however, remained the transformation of West Berlin into a "demilitarized free city" and the signature of a German peace treaty which would "do away with the vestiges" of World War II. [See p. 369B1-D2]

A-tests—"The tests of new nuclear weapons are proceeding successfully. We shall probably complete these by Oct. 30 or 31 by a blast of 50 megatons. We have a 100-megaton bomb, but it will not be exploded because if we did we might break our own windows. . . . We shall explode a 50-megaton bomb and thus test the instruments for the 100-megaton bomb. To use an old expression, may God grant that we never have to explode such a bomb over anybody's territory." [See pp. 333G2, 350F-G2]

War danger—"We believe that now the forces of socialism . . . are mightier than the aggressive imperialist forces. But even if we should agree with the United States President, who quite recently stated that our forces were equal, even then it is plainly unreasonable to use the threat of war." "The chief aggressive force is the United States, center of world reaction," and its NATO allies, particularly the "West German militarists and revenge-seekers." The world could be destroyed if "some Western officer" made a mistake and unleashed nuclear forces.

Soviet defenses—"We now have at our disposal intercontinental ballistic missiles, anti-aircraft rocket equipment and rockets for the land, naval and air forces. A nuclear-powered submarine fleet is being built up and equipped with ballistic and target-seeking rockets." If the Western powers "dare attack the Socialist countries and hurl mankind into the abyss of a war of annihilation, that mad act will be their last."

Peaceful co-existence—Despite the current crisis, war was not inevitable. "There now is a prospect of achieving peaceful co-existence for the entire period in which the social and political problems now dividing the world will have to be solved." The indications are that it may actually be feasible to banish world war from the life of society even before the complete triumph of socialism on earth, with capitalism surviving in part of the world." [See p. 334B-C1]

Export of revolution—"We are convinced that in the end the Socialist system will triumph everywhere. But this in no way implies that we will seek to achieve its triumph by interfering in the internal affairs of other countries. You cannot bring in ideas on bayonets . . . or on rockets." But "imperialist attempts to interfere in the affairs of insurrectionary people would constitute acts of aggression endangering world peace," and "in the event of imperialist export of counter-revolution, the Communists will call on the peoples of all countries to . . . mobilize." [See p. 334D1]

Disarmament & disengagement—The Soviet Union was prepared to "seek jointly with the Western powers a mutually acceptable and agreed [disarmament] settlement through talks." It also was ready to negotiate (a) a zone of disengagement between Soviet and Western troops, (b) the reduction of foreign-based armed forces, (c) atom-free zones in Europe and Asia, (d) a NATO-Warsaw Treaty nonaggression pact. [See p. 370E1-B2]

UN leadership—The UN's executive "machinery has grown rusty in the cold war years and has been operating fitfully. . . . It is the time to grant genuinely equal rights in all UN agencies to the 3 groups of states that have come into being in the world—socialist, neutralist and imperialist." Action must be taken to "restore the legitimate rights of . . . [Communist] China in the United Nations." [See pp. 351A-B1, F1-C2, 349D-E3]

U.S. Vs. 50-Megaton Test. The U.S. government called on the USSR Oct. 17 to cancel its announced plan to test a 50-megaton weapon. The U.S. appeal was made in the following White House statement:

"It is reported that the Soviet Union plans to explode a giant nuclear bomb—the equivalent to 50 million tons of TNT. We call upon the Soviet Union to reconsider. . . . We know about high-yield weapons. Since 1957 the United States has had the technical know-how and materials to produce bombs in the 50-100 megaton range and higher. But we also know that such weapons are not essential to our military needs. Furthermore, full-scale tests are not nec-

Week in Headlines

Khrushchev opened CP Congress, offered conditional withdrawal of year-end deadline for East German peace treaty, announced planned 50-megaton bomb blast in ending nuclear tests.

Pres. Kennedy promised aid to South Vietnam to combat increased Communist guerrilla attacks.

Mr. Kennedy ordered reappraisal of U.S.-Yugoslav relations amid criticism of U.S. jet sale to Tito régime.

AFL-CIO barred readmitting Teamsters.

Ford strike settled.

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essary to develop 50-megaton bombs. . . . We believe the peoples throughout the world will join us in asking the Soviet Union not to proceed with a test which can serve no legitimate purpose and which adds a mass of additional radioactive fallout. . . ."

Washington officials, basing their estimates on the known power of the 15-20 megaton bomb detonated by the U.S. in the Pacific Mar. 1, 1954, said that a 50-megaton bomb could: (1) kindle fires and cause severe burns to exposed persons within a 40- to 50-mile radius of ground zero; (2) kill all persons within 2¾ miles nearly instantly with radiation; (3) destroy all heavy industrial buildings within 2¾ miles and residential structures within 14 miles of the impact point.

Rusk on Soviet Terms. Khrushchev's apparent offer to relax Soviet pressure on Berlin was welcomed by State Secy. Rusk Oct. 18. But Rusk made it clear that Khrushchev had not altered the USSR's unacceptable proposals for a German peace treaty and European disengagement.

Speaking at a Washington news conference, Rusk declared that Khrushchev's remarks on Germany "confirmed publicly" what Soviet Foreign Min. Gromyko had said in his recent U.S. exploratory talks. Rusk said that Khrushchev's speech, "indicating that he does not assert an ultimatum [on Germany] with respect to time, may serve to reduce tension somewhat. But his general observations about the Berlin problems show little if any change" from his earlier stand.

Rusk called the USSR's terms for full-scale negotiations on Germany "too narrow." He said the Soviet demand for "a peace treaty with Germany and a solution of the problem of West Berlin on that basis is too restrictive" for serious talks.

He denied "that the idea of disengagement has any future in it because disengagement implies the abandonment of responsibilities and implies the creation of perhaps a vacuum which would not itself be conducive to stability and peace." Disengagement would be acceptable to the U.S. only as part of a disarmament agreement, he said.

JFK Doubts Berlin Progress. Pres. Kennedy expressed doubt Oct. 11 that the exploratory talks held by himself, Rusk, and Gromyko had contributed substantive progress toward a Berlin settlement.

The President, speaking at a Washington news conference before Khrushchev's CP Congress speech, asserted that the Gromyko talks had been preliminary and devoted to determining the USSR's exact position on precise aspects of the Berlin problem. He said: ". . . I don't think that we can come to any conclusion as to what the ultimate conclusion will be, though the talks which we had with . . . Gromyko did not give us immediate hope" of an easy settlement.

Asked for his view of the U.S.' refusal to oppose with force the Communist wall on the Berlin border, the President said: ". . . Eastern Berlin and East Germany have been under the control of the Soviet Union, really, since 1947 and '48. . . . There are many things that happen in Eastern Europe . . . which we consider to be wholly unsatisfactory—the denial of liberties, the denial of political freedom, national independence, and all the rest."

Mr. Kennedy rejected Republican charges that the current defense buildup had weakened the U.S.' "nuclear credibility" (the belief that the U.S. actually would use its nuclear weapons) and had persuaded the USSR that the West would not defend with force its Berlin commitments. He said that "we have indicated that we will meet our commitments with whatever resources are necessary to meet them." He added, however, that, given the power of nuclear weapons, "anyone would be reluctant, unless all else had failed, to destroy so much of the world." The U.S., he said, sought accords which would "protect the interests and freedom of the people involved without having to go to . . . these extreme weapons."

(Khrushchev, in a message to British Labor Party MPs [made public Oct. 13], declared that U.S. Sen. Margaret Chase Smith [R. Me.] had shown she was "blinded by savage hatred" of the Soviet bloc in a Sept. 21 speech demanding a firmer U.S. nuclear weapons policy. Khrushchev said: "It is hard to believe how a woman, if she is not the devil in a disguise, . . . can make such a malicious man-hating call.") [See p. 372E1]

A-Ban Plan Rejected. The Kennedy Macmillan proposal of a Soviet-U.S.-British agreement banning nuclear tests in the atmosphere was rejected by Khrushchev Sept. 9 in a message to Mr. Kennedy and Macmillan. "Nuclear tests can now be ended everywhere and forever only on the basis of general and complete disarmament," the message said. Khrushchev charged that the purpose of the U.S.-British proposal was to "tie the hands of the Soviet Union" while the West improved its A-weapons. [See p. 325F3]

(Khrushchev, in a Sept. 20 interview in Pravda, indorsed a Sept. 10 appeal by Pope John XXIII to world leaders to avert war over the Berlin issue by negotiation. Khrushchev called the appeal "a tribute to common sense" and said: "We can only welcome a call for talks in the interest of peace, no matter whence it comes.")

(Sir Leslie Plummer and Konni Zilliacus, left-wing British Labor Party MPs, interviewed Khrushchev at his Black Sea summer home near Yalta Aug. 31. Plummer said Sept. 1 that Khrushchev had indicated that he had decided to resume nuclear testing to shock the Western powers into negotiating on Germany and disarmament.)

Early Summit Barred. An immediate, insufficiently prepared summit conference was rejected by Pres. Kennedy Sept. 12-13 in discussions with Presidents Sukarno of Indonesia and Modibo Keita of Mali, who had come to Washington to deliver the Belgrade conference's appeal for "direct negotiations" between Mr. Kennedy and Khrushchev to avoid war.

Mr. Kennedy said in a letter he gave his 2 visitors Sept. 13:

". . . We believe it is incumbent upon all responsible governments to explore all possible avenues, including negotiations at the highest levels, for mutually acceptable solutions of current international problems. However, . . . [we] feel that at a time of great tension it is particularly necessary that negotiations of the kind proposed by the Belgrade conference not only have careful preparation but also a reasonable chance of success.

". . . We see no reason why eventual negotiations should not be successful in coping with the present crisis. However, we do not intend to enter into negotiations under ultimata or threats. . . . We do not propose to discuss either abdication of our responsibility or renunciation of the modalities for carrying [them] out. . . .

". . . We endorse the [Belgrade] declaration's reference to the rights of all nations to unity, self-determination and independence, and its condemnation of intimidation, intervention, and interference in the right of self-determination. We presume that these principles apply equally to the people of Germany and Berlin.

". . . We are determined to honor our commitments [in Berlin and Germany] and are prepared to meet force with force if it is used against us.

"While the United States and its allies are all agreed that there must be negotiations on the problem, the Soviet Union must give indication of a readiness to engage in discussion based on mutual respect. The only conditions it has yet exhibited any willingness to consider are conditions which involve the surrender of Western rights. . . ."

Keita told newsmen Sept. 13 that he considered Berlin "a minor problem" inflated out of proportion to its importance. In answer to a question, he said the right of self-determination did not apply to the German problem because "the German people have their independence." [See pp. 326C-E2, 343G1-344A2, 369B1-D2]

Khrushchev, replying to the Belgrade conference's call for a Khrushchev-Kennedy meeting, said in a letter (dated Sept. 16 and made public Sept. 22) to Indian Prime Min. Jawaharlal Nehru that, "in the name of insuring peace, we are ready for talks any time, any place and at any level." But he warned that negotiations could be doomed to failure by the insistence of West German and other Western leaders that the West take "a tough position." [See p. 334F1]

(Belgian Foreign Min. Paul-Henri Spaak conferred with Khrushchev for 5 hours in the Kremlin Sept. 19 and then reported to the NATO Council in Paris Sept. 21 that Khrushchev was willing to let the projected East-West negotiations cover issues in addition to the Berlin and German problems. Spaak said Khrushchev had denied that he had limited the date for such negotiations or had set a year-end deadline for them. It was reported that Khrushchev was uncompromising only on his insistence that there be no negotiations on East Berlin since it was East Germany's capital. He was reported to have suggested that since the Western powers refused to sign a peace treaty with East Germany, they could sign one with West Germany and let the 2 Germanies take responsibility for negotiating their future reunification.) [See p. 333D-E3]

(Ex-French Premier Paul Reynaud, reporting in a copyrighted article in Le Figaro Sept. 23 on his conversation with Khrushchev in the Kremlin the previous week, said Khrushchev had told him: he [Khrushchev] was not willing to start war over Berlin; the Communists did not consider West Berlin of major importance in the East-West struggle and did not want the city; West Berlin's freedom and Western access to it must be guaranteed through an agreement between East and West Germany and not under any 4-power occupation statute.) [See p. 369D1-B2]

Red A-Tests Exceed 20. Pres. Kennedy asserted in answer to a press conference question Oct. 11 that the USSR had tested "over 20" nuclear devices in the atmosphere since it

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ended its moratorium on A-tests. White House Press Secy. Pierre Salinger, asked to explain the difference between Mr. Kennedy's figure and the total of only 19 Soviet tests reported by the U.S. Atomic Energy Commission so far, replied that the purpose of U.S. announcements was to keep Americans informed as fully as possible but not to disclose security information (presumably about detection methods).

The 16th Soviet A-test announced by the U.S. AEC (since the moratorium) took place Oct. 2 in the Novaya Zemlya area in the Arctic; its yield was "on the order of a megaton." The AEC announced that the 17th, detonated in the same area Oct. 4, had a yield "on the order of several megatons." The 18th announced by the AEC took place in the same area Oct. 6; this test had been detected and announced prior to the AEC statement by Japanese meteorologists, who estimated the yield at 10 megatons, by French experts, who called it the biggest post-moratorium blast yet, and by Sweden's Uppsala Seismological Institution, which said its force was about equal to that of the biggest previous explosion in the current series. The 19th announced by the AEC, detonated Oct. 8 in the Novaya Zemlya area, had a force described as in the "low-yield range." All the tests were in the atmosphere. [See p. 350F-G3]

3d U.S. A-Test. The U.S. AEC announced Oct. 10 that the 3d post-moratorium U.S. nuclear explosion had been set off that day deep underground at the Nevada test site. The force of the blast was described as of "low yield." [See p. 350F1]

French A-Tests End. The French Atomic Energy Commission announced Oct. 7 that its series of nuclear tests in the atmosphere had been completed. The 4 French tests resulted in "progress toward the miniaturization of atomic devices" and in improvement of detection techniques and yielded important scientific dividends, the announcement said. [See p. 215C2; Vol. XX, 465B1]

French-U.S. A-Agreement. Pres. Kennedy Oct. 4 signed a resolution (HJRes569) authorizing the Administration to train French military forces in the use of and defense against atomic weapons. The resolution, implementing a Franco-U.S. agreement, also permitted the transfer to French NATO forces of non-nuclear parts of atomic weapons systems (but not parts of atomic weapons). Similar agreements had been negotiated with Turkey, Greece, West Germany, Italy and the Netherlands.

The agreement with France had originated during Pres. Kennedy's June visit with Pres. de Gaulle and had been signed in Paris July 27. Pres. Kennedy submitted it to Congress Sept. 7. [See p. 199F1]

The Atomic Energy Act required that the resolution lay before Congress 60 days while Congress was in session, after which it would go automatically into effect unless it had been disapproved by concurrent resolution. In submitting the French agreement, Pres. Kennedy asked Congress to waive the 60-day waiting period because of the Berlin crisis. Congress complied by means of the resolution, approved by the House Sept. 19 and the Senate Sept. 20. [See p. 290B2]

South Vietnam Fighting

U.S. Support Pledged. South Vietnam was assured by Pres. Kennedy Oct. 11 that the U.S. would aid its defense against an intensified guerrilla campaign launched by Communist Viet Cong forces.

(Viet Cong irregulars had begun heavy attacks in South Vietnam near the Laos border in May. The attacks, which spread to other parts of South Vietnam, coincided with the Communist seizure of neighboring border areas in Laos.)

Mr. Kennedy announced at a Washington news conference that he had directed Gen. Maxwell D. Taylor to "go to Saigon to discuss . . . ways in which we can perhaps better assist . . . Vietnam in meeting . . .[the] threat to its independence." Responding to reporters' queries as to whether he was considering sending U.S. troops to South Vietnam, Thailand or Laos, Mr. Kennedy said that "we're going to wait till Gen. Taylor comes back" with information and "then we can come to conclusions."

Taylor, leaving Washington Oct. 15 to fly to South Vietnam, Laos and Thailand, said "any American would be reluctant to use troops [in Vietnam] unless absolutely necessary."

Previously, Administration sources repeatedly had reported that the U.S. was studying some form of armed intervention in South Vietnam. A State Department statement issued Oct. 2 said the U.S. was "pressing ahead with urgent measures to increase the ability of the South Vietnamese soldier to defend his country." It was reported in Washington Oct. 7 that the Administration had decided to send U.S. combat and training formations to Communist-threatened areas of South East Asia if necessary. But State Department press officer Lincoln White told newsmen Oct. 11 that "there has been no such decision. Furthermore, . . . Vietnam assures us . . . that with U.S. material assistance and training services, it can handle the present Communist aggressive attacks." White conceded, however, that the South Vietnamese assessment might not be correct.

The U.S.' reported decision to intervene militarily was said to have been transmitted to other SEATO nations at the 15th semi-annual meeting of the alliance's military advisers, held in Bangkok Oct. 3-6. A final communiqué issued by the advisers Oct. 6 said only that they had "decided upon practical measures to increase . . . the effectiveness of SEATO defenses to defeat any aggression." The Bangkok meeting, presided over by Maj. Gen. Sir Stephen Weir of New Zealand, was attended by a U.S. delegation headed by Adm. Harry D. Felt, commander of U.S. Pacific forces.

(The U.S. Military Advisory Group in South Vietnam was reported to number 685 men. Most were instructors in the use of arms and equipment supplied under aid programs. Additional U.S. troops were in South Vietnam as guerrilla warfare instructors and specialists.)

The Communist guerrilla offensive against South Vietnam had led to similar indications of U.S. military intervention and to an Asian fact-finding mission by Vice Pres. Johnson in May.

State Secy. Rusk, at a Washington news conference May 4, had asserted that Communist forces in South Vietnam had grown to 12,000 men and had killed or kidnaped more than 3,000 persons in 1960. Rusk declared that the U.S. would give South Vietnam "every possible help, across the entire spectrum in which help is needed," but he refused to say whether the U.S. would intervene militarily. Chrmn. J. W. Fulbright (D., Ark.) of the Senate Foreign Relations Committee met with Pres. Kennedy later May 4 and told newsmen that he (Fulbright) would support the sending of U.S. combat troops to South Vietnam and Thailand if the Administration deemed necessary. Fulbright conceded that he had opposed U.S. military intervention in Laos, but he said the Laotians had shown indifference to their fate whereas the South Vietnamese and Thai had proved willing to defend themselves against communism.

Pres. Kennedy announced at a Washington news conference May 5 that Vice Pres. Johnson's trip to Asia would be a "fact-finding mission" to help the Administration decide the nature and extent of U.S. aid needed by South Vietnam. The President said: "The problem of troops . . . and the matter of what we are going to do to assist Vietnam obtain its independence is . . . still under consideration. . . . One of the matters which Vice Pres. Johnson will deal with [is] the problem of consultations with . . . Vietnam as to what further steps could most usefully be taken."

Vice Pres. Johnson, accompanied by his wife and a party of 30 Congress members and officials, left Washington by air May 9. He arrived in Saigon May 11. Addressing the South Vietnamese National Assembly May 12, Johnson declared that the U.S. was ready "immediately" to help expand South Vietnam's armed forces and to "meet the needs of your people on education, rural development, new industry and long-range economic development." Johnson met with Pres. Ngo later May 12. He said at a reception later that day that Ngo was the "Churchill of today" and that the U.S. was ready to stand "shoulder to shoulder" with Vietnam in its war against communism.

Johnson flew to Manila May 13 and told a joint session of the Philippines Congress: "America will honor her commitments to the cause of freedom throughout the community of free nations"; "we will . . . proceed either alone or with our free friends to preserve our position in Asia." Johnson left Manila May 14 and flew to Taipeh, Formosa, where he was greeted by 100,000 Chinese and began private talks with Nationalist Chinese Pres. Chiang Kai-shek. He said at a Taipeh state dinner later that day: "America stands firmly with her Chinese allies, and we shall continue to do so until freedom is secure." Chiang said at a news conference May 15 that Johnson had given him an unconditional pledge of continued U.S. support for Nationalist China. A joint communiqué issued by the 2 leaders later the same day said Johnson, "on behalf of Pres. Kennedy, assured Pres. Chiang that: the United States means to stand with her allies in the Asian area; the United States had no intention of recognizing the Peiping régime; the United States opposes seating the Peiping régime in the United Nations and regards it as important that the position of the Republic of China in the United Nations should be maintained."

Johnson flew to Bangkok, Thailand May 16 after a stopover May 15 in Hong Kong. Johnson met privately several times with Field Marshal Sarit Thanarat May 16-18; he said at a Bangkok news conference May 17 that he had made it "abundantly clear" to Sarit that the U.S. would aid Thailand against any Communist pressure. (Johnson was reported to have failed to persuade Sarit to agree to the stationing of SEATO troops on Thai territory in case of need.) A joint communiqué issued by Sarit and Johnson May 18 pledged continued but unspecified U.S. military aid for Thailand.

Johnson was greeted by Prime Min. Jawaharlal Nehru on his arrival in New Delhi May 18. They met for 4 hours May 18 for talks centering on India's 3d 5-Year Plan, inaugurated Apr. 1. Johnson, in an airport statement, conceded that "on occasion" India and the U.S. "go down different roads, but we are heading in the same direction." Johnson met with Nehru again May 19 and toured Agra, 120 miles south of New Delhi. The 2 leaders May 19 issued a joint communiqué urging a "major attack" on poverty, ignorance and disease. It expressed Johnson's hope that U.S. economic aid for India would continue to be "substantial in amount and effective in form."

The Vice President landed in Karachi May 20 on the final stop of his tour and conferred with Pakistani Pres. Mohammed Ayub Khan. In a speech at a Karachi civic reception, Johnson reiterated the U.S.' pledges of support for Asian efforts to combat "subversion, infiltration and terror." He reassured Pakistan that the Kennedy Administration would stand by the U.S.' alliances with Asian nations. During Johnson's Pakistan visit, ended May 21, crowds demanded repeatedly that he pledge U.S. support for Pakistani claims in Kashmir.

Johnson was welcomed by Pres. Kennedy and State Secy. Rusk on his return to Washington May 24 after stops in Athens and Bermuda. He reported to Mr. Kennedy on the results of his

trip and then said at a press conference that the Administration would request an additional $100 million for Asian economic and military aid, the bulk to be allocated to South Vietnam, Thailand and Pakistan. (This was done in a special message sent to Congress by Pres. Kennedy May 25.) Johnson said his trip had convinced him that the U.S. must support efforts on a "broad regional basis" to "banish the curse of poverty, illness and illiteracy" in Asia. He declared that no country he visited had requested U.S. troops and that the U.S. did not plan to send armed forces to Asia.

An agreement for increased U.S. military and economic assistance for South Vietnam had been made public in the joint communiqué issued in Saigon May 13 by Johnson and Pres. Ngo. The aid increases, expected to total $40 million, would be used primarily to (a) strengthen the South Vietnamese civil guard (40,000 men; 32,000 more in training) and army (150,000 men; 20,000 more requested), and (b) to support social welfare and public works programs. Specific terms of the accord were negotiated in South Vietnam in June and July by a 6-member economic survey committee headed by Dr. Eugene Staley of the Stanford (Calif.) Research Institute. The committee's work was the subject of a report submitted to Pres. Kennedy July 29. The report urged U.S. aid for a 15% increase in South Vietnam's armed forces, the resettlement of indefensible villages in 100 self-contained "agrovilles," and a long-range development program intended to improve the general economy and internal communications. Estimated cost of the program submitted to Mr. Kennedy: $50-$100 million. (Nguyen Dinh Thuan, a member of Pres. Ngo's cabinet, met with Pres. Kennedy June 14 to transmit a message from Ngo requesting that U.S. military instructors be used to train Vietnamese soldiers "directly," instead of training Vietnamese who in turn would serve as combat instructors. Nguyen and U.S. officials reached agreement June 16 on a program for the direct training and combat supervision of Vietnamese by U.S. instructors.) [See pp. 281F3, 127F3]

Reds Vs. U.S. Moves. Gen. Taylor's mission to South Vietnam was assailed by the USSR and Communist North Vietnam on the grounds that it was a prelude to U.S. military intervention in South East Asia.

Moscow radio political commentaries charged Oct. 12 that the Taylor mission was proof of the U.S.' "openly aggressive" plans to send troops into Vietnam. They asserted that it was "clear that American plans to send troops to South Vietnam have another aspect—the Laotian aspect," and that these troops would be used to destroy Laos' movement toward neutrality.

North Vietnam protested to the International Control Commission for Vietnam Oct. 14 that Taylor's visit was intended to "intensify United States intervention in South Vietnam and prepare the way for introducing United States troops" there. It said the Taylor mission itself violated the Geneva armistice accords.

The Hsinhua news agency reported Oct. 14 that North Vietnamese Pres. Ho Chi Minh met with Communist Chinese CP Chrmn. Mao Tse-tung and Defense Min. Lin Piao in Peiping to discuss South Vietnam. Communist Chinese Premier Chou En-lai, at a Peiping reception for North Vietnamese Premier Pham Van Dong, had charged June 12 that the U.S. was "preparing to embark on a war adventure in South Vietnam." Communist China, he warned, "cannot be indifferent to the increasingly grave situation caused by United States imperialism in South Vietnam."

Warfare Intensified. Pres. Ngo declared Oct. 2 that the Viet Cong guerrilla campaign against South Vietnam had grown into a "real war" during 1961. Ngo, addressing the National Assembly, said: "It is no longer a guerrilla war we have to face but a real war waged by an enemy who attacks us with regular units fully and completely equipped and who seeks a strategic position in South East Asia in conformity with the orders of the Communist International."

(The Viet Cong attacks on South Vietnam had been limited to sporadic raids until May, when an apparently coordinated guerrilla offensive was launched against the central highlands, the southwest and Saigon area by battalion-strength units entering South Vietnam through a corridor opened for them in southern Laos by the Communist rebel Pathet Lao movement.)

Ngo said that South Vietnamese army units had halted the guerrilla advance in the southwest but that renewed Viet Cong attacks were under way in the central and northeastern highlands. The attacks were accompanied by massive infiltration and propaganda in rural villages,

(The South Vietnamese army's reorganization into 3 tactical commands corresponding to the country's southern, central and northern regions was reported May 24. Maj. Gen. Dang Van Minh was named army commander-in-chief.)

(Ngo's cabinet was revised May 29 to create 3 "superministers": State Secretary for Coordination of Economic Development—Vice Pres. Nguyen Ngoc Tho; State Secretary for Coordination of Security Matters—Nguyen Dinh Thuan; State Secretary for Coordination of Social and Cultural Matters—Thuong Cong Cuu.)

Among battles and skirmishes in the Viet Cong campaign:

Army units were reported May 7 to have attacked guerrillas in Binh Duong Province, 25 miles north of Saigon. Viet Cong attacks were renewed after May 14 in the region between Saigon and Dalat, and major guerrilla activity was reported to have begun May 23 in the northern mountain region near Hue. The N.Y. Times reported in a May 30 dispatch published June 5 that Viet Cong units were operating in central and northern South Vietnam from Laotian bases near Tchepoe, Laos and Dakto and Kontum, South Vietnam. The attacks begun in May were said to have caused a marked increase in the normal monthly casualty rate (100 South Vietnamese, 300-400 Viet Cong) reported by South Vietnam since 1960. [See p. 123A2]

South Vietnam announced June 2 that more than 140 guerrillas had been killed in recent attacks, 67 of them in a raid on a village 55 miles south of Saigon. More than 200 guerrillas were reported killed in fighting the following week; 100 of these were said to have been killed when 500 guerrillas armed with machine guns and mortars attacked Phouq Long, 200 miles southwest of Saigon. Army units were reported June 20 to have launched a major drive against guerrillas in the Mekong River delta south of Saigon.

At least 185 guerrillas were reported killed July 16 when a 500-man Viet Cong unit was ambushed and surrounded by a 700-man South Vietnamese force in the Plaine des Joncs marsh area 80 miles west of Saigon. The battle was described as the bloodiest in South Vietnam since the 1954 armistice. Western newsmen gave on-the-spot confirmation of the battle. More than 100 Viet Cong troops were killed and army forces suffered "great losses" in an encirclement by Communists reported July 6 near To Hap, 300 miles north of Saigon.

The South Vietnamese government announced Aug. 2 that all able men 25 to 33 had been ordered up to combat increased guerrilla attacks. The N.Y. Times reported Aug. 21 that full-time Viet Cong forces had grown from 9,000 in 1960 to 13,000-15,000 currently and that casualties on both sides had reached 1,000 monthly. South Vietnam announced Sept. 4 that 302 guerrillas had been killed and 357 captured during August. Army casualties were listed as 73 killed, 50 missing, 191 wounded.

The Cambodian government reported Sept. 6 that a Viet Cong base had been discovered and destroyed in Soairieng Province, 90 miles south of Pnompenh on the Cambodia-South Vietnam border. 1,500 guerrillas Sept. 19 attacked and reportedly overran Phuoc Minh, the capital of Phuoc Thanh Province. Several provincial officials and most of the defending forces' officers were reported to have been killed in the attack on the city, 60 miles north of Saigon. 2 South Vietnamese army companies were reported Sept. 22 to have been annihilated in Viet Cong attacks on Daclac Province.

South Vietnam announced Oct. 3 that guerrillas had kidnaped Col. Hoang Thuy Nam, a state undersecretary and liaison officer to the International Control Commission. (Hoang's body was discovered near Saigon Oct. 16.) The government's Psychological Warfare Department reported Oct. 7 that casualties for the period Sept. 20-Oct. 4 totalled 371 Viet Cong and 171 Army troops killed, 10 Viet Cong and 235 troops wounded, 322 Viet Cong captured and 59 troops missing. Most of these casualties were in Mekong delta fighting. Guerrillas were reported Oct. 16 to have attacked and overrun a civil guard garrison near Dakto, 300 miles northeast of Saigon. The attack, in a highlands area 70 miles from the Laotian border, was viewed as part of a Communist effort to cut South Vietnam in the center. [See p. 158G1-A2]

SPACE

Belt of Needles Planned. An Air Force plan to girdle the earth with a belt of "needles" 2,000 miles high received renewed White House backing Oct. 5 despite scientists' complaints that the proposed Project West Ford would "befoul space," becloud astronomical observation and interfere with space research.

The AF program, at first dubbed Project Needles, called for putting about 350 million hair-like copper wires less than one inch long into orbit to see whether they acted effectively as dipole antennas in reflecting microwave radio signals from point to point on earth.

The AF planned to eject the 75 pounds of wire from a Midas early-warning satellite. It was believed that within 2 months the needles would be scattered in a belt around the earth about 5 miles wide and 24 miles thick. Should the idea work, the AF wanted to use several tons of wire in the same way. U.S. scientists backing the project denied that it would interfere with astronomical observation, and Pres. Kennedy Aug. 11 approved a policy statement that, in effect, authorized the plan.

The International Astronomical Union, concluding its meeting in Berkeley, Calif. Aug. 24, adopted a resolution opposing the project "until the question of permanence [of the needle band] is clearly settled in published scientific papers, with adequate time being allowed for their study." (The IAU Aug. 24 elected Dr. Viktor A. Ambartsumian, director of the Burakan Astronomical Observatory of the Academy of Sciences of the Armenian Soviet Socialist Republic, as IAU president for 3 years.) Protests against the project came from the presidents of the British and Soviet Academies of Science and from other leading scientists throughout the world.

The White House Oct. 5 released a statement in which the President's Science Advisory Committee again insisted that the experiment constituted no "danger to science."

U.S. Orbits Robot. An unmanned 2,700-pound Project Mercury capsule carrying an "artificial astronaut" was launched into orbit from Cape Canaveral Sept. 13.

The capsule was carried into space in the nose of an Atlas missile fired at 9:04 a.m. EST. The Atlas boosted the capsule to a speed of 17,519 mph. Then the capsule separated and went into an orbit with a top altitude of 158 miles. Retro-rockets slowed the capsule as it was completing its single circuit of the earth, and it was brought down into the Atlantic by parachute at 10:53 a.m. The destroyer Decatur fished the capsule out of the water about 161 miles east of Bermuda.

NASA officials said the capsule's oxygen supply had drained away too rapidly but that a man would have survived and the flight was "very successful."

The capsule was accompanied into orbit by the 7,400-pound burned-out shell of the Atlas booster. The total of 10,100 pounds put into orbit was a U.S. record for a single launching. (10,395-pound capsules were put into orbit by the USSR for Soviet manned orbital flights.) [See pp. 277B1, 240B-C2]

(The AP reported Aug. 2 that U.S. government sources denied a report that a "Soviet trawler" had watched the landing of Capt. Virgil I. Grissom in the Atlantic after a suborbital flight in a Mercury capsule July 21. The only Soviet trawler known to be in the vicinity at the time was 500 miles away.) [See p. 264D2]

Ranger I Orbits but Fails. A 675-pound satellite, Ranger I, was launched from Cape Canaveral into orbit Aug. 23 to test components of later Rangers designed for un-manned landings on the moon in 1962. The test was at least a partial failure, however, as Ranger I achieved an orbit with an apogee of only 313.4 miles and perigee of only 105.4 miles. The NASA had planned to put the vehicle into this "parking orbit" for only 14 minutes. Then, at the most favorable position, the remaining Agena stage of the 2-stage Atlas-Agena booster was to shoot the satellite further out into a flat orbit with an apogee of 685,000 miles, a perigee of 37,500 miles and a period of 58 days. An Agena misfiring kept Ranger I from leaving its parking orbit. The satellite dropped back into the atmosphere and was burned up Aug. 29.

Discoverers Recovered. Discoverer XXIX was launched by the Air Force from Vandenberg Air Force Base Aug. 30 into a polar orbit. On its 33d circuit of the earth, the satellite's 300-pound instrumented capsule was ejected by radio signal Sept. 1 from orbit, and it dropped into the Pacific Ocean. 3 skindivers, flown to the landing area, parachuted into the ocean and recovered the capsule the same day. It was the 3d Discoverer capsule recovered from the ocean after being released from orbit. 4 others ejected from orbit had been recovered in mid-air by planes. Discoverer XXIX's capsule carried samples of human and animal tissue and of soil bacteria in a test of the effects of radiation in space. The satellite, which consisted of the entire 25-foot-long Agena-B stage of an 81-foot 2-stage Thor-Agena-B rocket assembly, was the 19th Discoverer to go into orbit.

Discoverer XXX was launched from Vandenberg base Sept. 12 into a polar orbit with an apogee of 345 miles, a perigee of 154 miles and a 92.4-minute period. The 300-pound gold-plated capsule was ejected from the satellite by radio signal Sept. 14 on its 33d circuit of the earth and was snared in mid-air in the Pacific recovery zone by an AF C-130B turbo-prop piloted by Capt. Warren C. Schensted, 32, of Glenwood, Minn.

Discoverer XXXI was launched from Vandenberg base Sept. 17 into a polar orbit, but it failed to eject its capsule on signal Sept. 19. The AF reported loss of contact with the satellite Sept. 20.

Discoverer XXXII was launched from Vandenberg base Oct. 13 into a polar orbit. Its capsule, ejected by radio signal Oct. 14 on its 18th circuit of the earth, was caught in mid-air by Schensted's C-130B.

Discoverer XXVIII, launched from Vandenberg base Aug. 3, failed to attain orbital velocity and fell into the Pacific. [See p. 265C1-A2]

Explorers Sent Up. An 83-pound instrumented satellite dubbed Explorer XII was launched from Cape Canaveral at 11:22 p.m. Aug. 15 into an orbit with an apogee of about 54,000 miles and a perigee of about 170 miles. The octagonal satellite was fired aloft in the nose of a 3-stage Thor-Delta rocket. Its mission was to provide data on electrons and protons in space. It took 31 hours for its first circuit in orbit.

Explorer XIII, a 127-pound cylindrical satellite, was fired into orbit from Wallops Island, Va. at 2:29 p.m. Aug. 25 by means of a 72-foot 4-stage solid-fueled Scout rocket. The orbit had an apogee of 606.34 miles, a perigee of 174.6 miles and a 97.27-minute period. The satellite's mission was to study micrometeoroids, and initially it performed well. But NASA reported Aug. 29 that no signals had been received from Explorer XIII since Aug. 26 and that the satellite presumably had plunged into the atmosphere and had been destroyed. [See p. 240D2]

Moon-Try Center. The NASA announced Sept. 19 that it would build on a 1,000-acre site near Houston, Tex., a $60 million research and command center for the Project Apollo program of manned flight to the moon and for later space flight programs. The site, made available by Rice University, was to have separate laboratories or facilities for flight projects, equipment evaluation, flight operations and environmental testing. The center was to be used to train space flight crews and design, develop and test space craft. (The Apollo vehicle was to be launched in about 1970 from Cape Canaveral. A $60 million expansion of the Canaveral base for Apollo and other advanced programs was announced Aug. 24. The rockets for the project were to be made at the government's Michoud Ordnance Plant in New Orleans.) The NASA Sept. 23 named Robert R. Gilruth, currently director of the Space Task Group (Langley Field, Va.), to be director of the Houston center. [See pp. 193F1, 192E3, 175E2-B3]

Space Personnel. D. Brainerd Holmes, 40, an RCA executive, was appointed by the NASA Sept. 20 as director of its new Office of Manned Space Flight Programs. Holmes, an electrical engineer, was general manager of RCA's Major Defense Systems Division at Moorestown, N.J. He had been RCA's project manager for development and construction of the Ballistic Missile Early Warning System.

In a series of NASA personnel shifts announced Sept. 23: Dr. Abe Silverstein, director of the Office of Space Flight Programs, became director of the Lewis Research Center (Cleveland); Dr. Homer E. Newell, deputy director of the Office of Space Flight Programs, became director of the Office of Space Sciences; Ira H. Abbott, director of the Office of Advanced Research Programs, became director of the Office of Advance Research & Technology.

NATIONAL AFFAIRS

The President

Abboud Visit. Pres. Ibrahim Abboud of the Sudan paid a state visit to the U.S. Oct. 4-15.

Arriving from the Sudan aboard Pres. Kennedy's jet plane, Abboud was greeted at the airport Oct. 4 by Pres. Kennedy, who praised the Sudan for setting "a good example" of living in peace with its neighbors. Abboud said the American Revolution had inspired the Sudan to stand for "eradication of what remains of foreign domination" in Africa.

During his Washington visit Oct. 4-6, Abboud met with Mr. Kennedy twice and held what he termed a "very successful" conference on economic aid with State Secy. Dean Rusk. The 2 presidents Oct. 6 issued a joint communiqué in which they agreed on the importance of a nuclear test ban with effective inspection and controls, the right of self-determination for all peoples and their "common reliance" on the UN as an instrument of peace. [See p. 164A2]

Abubakar Visit. Sir Abubakar Tafawa Balewa, prime minister of Nigeria, visited Washington July 25-27. He and Pres. Kennedy July 27 issued a joint communiqué expressing the U.S.' "strong support" for more African representation at the UN and Nigeria's oppostion to any proposals that "would compromise the effectiveness" of the UN or its agencies.

In an address to the House of Representatives July 26, Abubakar had (a) urged a strengthening of the UN "to make it impossible for any nation to ignore its authority," (b) described the U.S. as "the one leading nation of the world which has consistently been opposed to the domination of one country by another"; (c) praised "the gallant effort" being made to end prejudice in the U.S.

At a news conference at the National Press Club July 27, Abubakar had said, in response to a query about whether Nigeria would accept Communist aid: "If a man comes into your house you want to know for sure if he's out to murder you or to help you paint it all over."

Abubakar had arrived in the U.S. at New York July 24. After his Washington stay, he visited Chicago and Knoxville, Tenn., where he stayed at a hotel which refused service to American Negroes. He then returned to New York before leaving the U.S. Aug. 1. [See p. 304F1]

Long Struggle Seen. Pres. Kennedy asserted Oct. 12 that it was "a dangerous illusion" to believe that "we shall soon meet total victory or total defeat" in the fight against international communism.

Speaking at a University of North Carolina convocation in Chapel Hill, Mr. Kennedy said: "Peace and freedom do not come cheap, and we are destined . . . to live out most if not all of our lives in uncertainty and challenge and peril"; "our policy" must "blend whatever degree of firmness or flexibility . . . necessary to protect our vital interests, by peaceful means if possible, by resolute action if necessary"; "if we can be purposeful, if we can face up to our risks and live up to our duty undeterred by fanatics or frenzy at home or abroad, then surely peace and freedom can prevail; we shall be neither Red nor dead, but alive and free and worthy of the [U.S.'] traditions and responsibilities."

Health Facilities Aid. An Administration-requested bill (HR4998) providing increased federal aid to expand community health services, passed by the Senate Sept. 18 and the House Sept. 20, was signed by Pres. Kennedy Oct. 5.

The Senate version of the bill had been accepted, in general, with these exceptions: (1) The expiration date of the non-matching grant program for construction of health research facilities was set at June 30, 1962, and (2) the matching grant program for health research facilities was extended through June 30, 1963 (the authorization for the latter was raised, as in the Senate bill, from $30 million to $50 million per year). [See p. 338D1]

Small Business Investment. A bill (S902) liberalizing the Small Business Investment Company (SBIC) program, passed by the Senate Sept. 14 and the House Sept. 15, was signed by Pres. Kennedy Oct. 5.

Among other features, the bill (a) limited to $500,000 the amount an SBIC could furnish, without Small Business Administration (SBA) approval, to a small business, (b) raised the maximum amount the SBA could invest in any one SBIC through the buying of subordinated debentures (the increase was from $150,000 to either $500,000 or the amount of the SBIC's paid-in capital and surplus from other sources, whichever was less).

The bill originally had been passed by the Senate Sept. 1 and by the House Sept. 6.

Labor

AFL-CIO Rebuffs Teamsters. The AFL-CIO Executive Council voted Oct. 10 against readmitting the International Bro'hood of Teamsters. The 24-3 vote, rejecting a readmittance resolution proposed by Pres. Michael J. Quill of the Transport Workers Union, took place at the council's quarterly meeting, held in New York Oct. 8-12.

AFL-CIO Pres. George Meany said afterwards that "there is every indication that the [Teamsters] union is more than ever under the influence of corrupt elements." He said Teamsters Pres. James R. Hoffa could not expect to reenter the AFL-CIO unless he "did what Saul of Tarsus did —go off into the wilderness for a year and repent."

The only council members to vote for the Teamsters were A. Philip Randolph, president of the Sleeping Car Porters, National Maritime Union Pres. Joseph Curran and United Steelworkers Pres. David J. McDonald.

The council voted Oct. 11 to accept as separate affiliates all locals that broke away from the Teamsters. Meany said he had received applications for charters from about 100 of the nearly 900 Teamsters locals.

Quill, describing Hoffa as "the cleanest man" in the U.S., had called Oct. 1 for the Teamsters' readmission to the AFL-CIO. At the TWU's 11th constitutional convention, held in New York Oct. 2-6, the TWU adopted Quill's readmission resolution Oct. 6. Hoffa, addressing the TWU convention the same day, stipulated that the Teamsters would reenter the AFL-CIO only on the condition that "no one has the right to carve out a jurisdiction, then fail to organize and scream 'raid' when others do the organizing job." Hoffa called Sen. John L. McClellan (D., Ark.) a "faker," Sen. James O. Eastland (D., Miss.) a "traitor" and Meany "a puppet for McClellan." But Hoffa praised United Auto Workers Pres. Walter P. Reuther. Opposition to allowing the Teamsters to reenter the AFL-CIO had been expressed by Labor Secy. Arthur J. Goldberg in an address at the TWU convention Oct. 3. (The TWU reelected Quill to a 4-year term and raised his annual salary from $14,820 to $22,500.) [See p. 257E1-F2]

Randolph Censured. The AFL-CIO Executive Council Oct. 11 accused its only Negro vice president, A. Philip Randolph, president of the Sleeping Car Porters, of causing "the gap that has developed between organized labor and the Negro community."

The censure, voted during the council's quarterly meeting in New York, came in council approval of a report rejecting Randolph's charges that AFL-CIO Pres. Meany had been lax in pushing for equal employment rights for Negroes and that several AFL-CIO affiliates had been guilty of bias. The report countercharged that Randolph's union employed only Negro staff members and that he had never tried to get a nondiscrimination clause in his own contracts with the Pullman Co.

Meany said Oct. 12 that "we can only get moving on civil rights if he [Randolph] comes over to our side and stops throwing bricks at us."

The rebuke to Randolph was denounced Oct. 13 by NAACP Executive Secy. Roy Wilkins, by the Rev. Dr. Martin Luther King Jr., president of the Southern Christian Leadership Conference, and by Daniel J. Schulder, president of the N.Y. Chapter of the Association of Catholic Trade Unionists. (The National Urban League's executive director, Whitney M. Young Jr., offered the League's services to the AFL-CIO Oct. 13 to help eliminate "the pockets of racial discrimination in some unions.") [See p. 266E3]

Teamsters Locals Rebel. 4 Teamsters locals in Cincinnati, representing about 4,000 members, voted Aug. 16-17 to quit the International Bro'hood of Teamsters. The largest of the seceding locals, the Dairy Drivers Local, was led by James T. Luken, a long-time Hoffa foe and president of the Greater Cincinnati Teamsters Council 26, representing 15,000 men.

The votes were nearly unanimous despite last-minute pleas not to quit from Teamsters Vice Pres. Harold Gibbons. Pres. Karl Feller of the AFL-CIO United Brewery Workers, a Hoffa foe, offered to accept Luken's and a 2d rebel local into his union.

Hoffa named Gibbons Aug. 17 as trustee for the rebel locals. Common Pleas Judge Charles S. Bell in Cincinnati Aug. 24 granted Hoffa's request for a temporary injunction freezing the records and assets of the 4 dissident unions, but he rejected Gibbons' appointment as trustee.

Warned that the insurgent movement to disassociate appeared to be spreading to 5 St. Louis locals and 2 Chicago locals, Hoffa flew to Cincinnati Aug. 26 to take personal charge of an intensive radio, TV and newspaper advertising campaign to quash the rebellion.

Hoffa appeared in Chicago Sept. 19 as the head of a committee that rejected all complaints from the rebel locals that he had negotiated "sweetheart" contracts. The Chicago rebels, headed by William J. Burns, called themselves the Rebel Teamsters Union.

9 balky Teamsters locals in the San Francisco Bay area's Joint Council 7 voted almost 3-1 Aug. 18 to accept a Hoffa-negotiated contract after having rejected 2 previous agreements recommended by Hoffa. Joint Council 7 had rejected Hoffa as negotiator. The new contract called for hourly raises of 7c the first year, 6c the 2d year and 5c the 3d year, plus an immediate 10c-an-hour raise in fringe benefits. Previous base pay had been $3.12½ an hour. [See p. 257F1-F2]

Hoffa Re-Indicted. Hoffa and Robert E. McCarthy Jr., Detroit banking executive, were re-indicted by a U.S. grand jury in Orlando, Fla. Oct. 11 on fraud charges involving the alleged misuse of union funds in the development of Sun Valley, Inc.

A similar indictment had been dismissed July 12 on the ground that the grand jury had been improperly impaneled. The new indictment contained 3 additional counts of fraud by telephone and one of fraud by telegraph. Henry Lower, 58, Detroit Teamsters official who had been named a defendant in the original indictment, died of cancer in Detroit Aug. 27. He was named but not indicted in the Oct. 11 finding.

The indictment, covering a period from Mar. 1954 to Dec. 7, 1960, charged that the 3 men had misused more than $500,000 of funds from 4 Detroit Teamsters' locals to finance Sun Valley. The project, the grand jury said, had been incorporated in Florida with offices in Detroit for the purpose of buying land and selling it to Teamsters members and the general public.

The indictment said the development had been advertised as "on high, dry" land and as sponsored by the Teamsters but not otherwise connected with Hoffa. "In fact," the indictment charged, "many of the lots" sold were "permeated with water" and "unsuitable for construction of homes," and the development was operated and controlled by Hoffa and Lower and financed in part by them with union funds. It said the lots had been acquired for about $18 each and sold for from $150 to $1,090 each. [See p. 267A1]

4 Teamsters Indicted. George Roxburgh, 49, business agent of Detroit Teamsters Local 299, of which Hoffa was president, was indicted by a U.S. grand jury in Detroit Oct. 6 on charges of taking thousands of dollars in illegal payments from employers.

3 other Teamsters officials had been indicted on similar charges by U.S. grand juries in Chicago Sept. 21 and 27. The Sept. 21 indictment was against Thomas H. Keegan, 52, business agent for Chicago Local 710, charged with accepting $9,600 between Oct. 1956 and July 1961 from the Interstate Motor Freight Systems, Inc. of Grand Rapids, Mich. The Sept. 27 indictment was against Ralph McLaughlin, 57, and Edward J. Donovan, 58, president and secretary-treasurer, respectively, of Chicago Teamsters Local 755. McLaughlin and the United Film Carriers, a firm headed by McLaughlin, were accused of paying Donovan $74,580 over a 2-year period for guaranteeing prompt delivery of movie films. [See Vol. XX, p. 338F2]

Harold Gross, 43, ex-president of Miami Beach Teamsters Local 320, was acquitted by a federal jury in New York Sept. 21 of charges of extorting $20,000 from the Neo Gravure Printing Co. and the Hearst Publishing Co., Inc. U.S. Judge Gregory F. Noonan told the jury afterwards that they had reached a

"wrong verdict." [See Vol. XX, p. 36G3]

Ford Strike. Ford Motor Co. production was crippled Oct. 3-15 by the United Auto Workers' first company-wide strike against Ford in its 20-year relationship with the company. After agreement Oct. 11 on a new 3-year contract, the men returned to work Oct. 15 at all but 2 plants.

The walkout, involving 120,000 workers and halting new car production in Ford's 88 plants in 26 states, had been called because of disputes over non-economic issues. Agreement on the economic issues had been achieved just prior to the strike deadline Oct. 3. The economic pact, similar to the UAW's agreement with General Motors, was expected to provide raises of about 7¢ an hour annually for 3 years plus improved benefits.

The negotiators still disagreed Oct. 3 over production standards, the number of union committeemen to represent workers on grievances, job classifications for skilled-trades workers, the use of outside contractors and Ford's proposal to align costs at its steel division at the Rouge plant in Dearborn, Mich. with costs in the basic steel industry. Ford said its Rouge workers were being paid at a rate higher than the steel industry's $3.05-an-hour average wage. There also was disagreement at many plants over local working conditions.

Agreement on the local conditions at 49 plants was announced Oct. 6 by UAW Pres. Walter P. Reuther. The Rouge plant's Local 600 settled for reported raises of 2½% each year for 3 years. National agreement on the non-economic issues was announced Oct. 11 by Reuther and Ford Vice Pres. Malcolm L. Denise. But 25 local bargaining pacts were still unresolved.

The full 3-year contract, including economic and non-economic issues, was approved by the UAW's National Ford Council Oct. 12. Among non-economic settlements was Ford's agreement (a) to provide enough relief men to allow each employe 24 minutes off a day and (b) to recognize an agency shop in states where it was permitted.

The strike was ended by the UAW Oct. 15 at all but 2 Ford plants—the Walton Hills stamping plant near Cleveland, O. and the engine plant at Wayne, Mich. Ford resumed new car production Oct. 16. [See p. 363C3]

FOREIGN

Afghanistan

Pakistan Ties Cut. Afghanistan severed diplomatic relations with Pakistan Sept. 6 as a result of a long-standing border dispute. Afghanistan had sought a separate state for Pathan tribesmen (ethnically linked to Afghans) who lived on both sides of the Afghan-Pakistani border.

The immediate cause of the rupture was Pakistan's refusal to rescind an order to close Afghan consulates and trade agencies in Peshawar and Quetta, Pakistan. Pakistan had charged that the Afghan centers were a cover for espionage. Pakistan had closed its consulates in Knadhar and Jalabad, Afghanistan Aug. 22 on the ground that Pakistani personnel were being harassed.

The break cut off Afghan trade with the West through Pakistan's port of Karachi.

The N.Y. Times reported Oct. 5 that Pres. Kennedy had sent letters to Afghan King Mohammad Zahir and Pakistani Pres. Mohammed Ayub Khan offering the U.S.' "consultative services" in mediating the dispute. The Times reported Oct. 6 that King Mohammad had accepted Mr. Kennedy's offer. [See p. 195C1]

Iran

USSR Warning. The UP reported Sept. 10 that Soviet Amb.-to-Iran Nikolai Pegov had warned Iranian Foreign Min. Hossein Ghods-Nakai that Iran faced nuclear destruction "in the not too distant future" unless it quit CENTO.

The Soviet news agency Tass had published CENTO "documents" that allegedly proved the West planned to drop nuclear bombs along the Soviet-Iranian frontier in the event of war to create a border "death zone." CENTO members Iran, Pakistan, Turkey, Britain and the U.S. denounced the "documents" as forgeries. [See Vol. XX, p. 413D2]

Yugoslavia

U.S. Disputes Jet Sale. Pres. Kennedy asserted at a National Security Council meeting Oct. 13 that the U.S. would have to reappraise its relations with Yugoslavia. He made this declaration in the midst of Congressional criticism of the sale of 130 obsolescent U.S. F-86D Saberjets to Yugoslavia. The sale, which took place in March, was disclosed by the State and Defense Departments Oct. 13.

Mr. Kennedy recommended at the Oct. 13 National Security Council meeting that the Commerce Department carefully study all trade licensing requests. He said he would "take a chance" for awhile and permit the export to Yugoslavia of certain strategic materials normally denied to Communist countries.

The U.S. announcement of the plane sale said Yugoslavia had paid $1,300,000 for the aircraft plus $325,000 to finance the training of pilots and maintenance men. (4 Yugoslav pilots and 5 maintenance technicians were being trained at Perrin AF Base in Sherman, Tex.)

Negotiations for the plane transaction had been started by the Eisenhower Administration in 1959. Agreement had been reached in Dec. 1960, and it was signed in March.

A Defense Department statement said: The sale "was in the best interests" of the U.S. because Yugoslavia had "denied to the Soviet Union an important strategic area in southeastern Europe"; U.S. "aid and support made it easier for [Yugoslavia] . . . to resist Soviet pressure."

(The 1959 sale of 70 Navy TV-2 jet trainers to Yugoslavia for $1,211,000 was disclosed by the U.S. Oct. 14.)

Sen. John Tower (R., Tex.) criticized the plane sale to Yugoslavia at a Louisville, Ky. news conference Oct. 13. Asserting that it was "foolish to sell arms to the enemy," Tower urged that the Yugoslav airmen be sent home and that the U.S. put a total aid embargo on Yugoslavia

Sen. Henry M. Jackson (D., Wash.) in Seattle Oct. 13 called for cancellation of the Yugoslav plane deal on the ground that "Tito and most other neutrals at the Belgrade meeting [of nonaligned nations] demonstrated they are not neutrals."

(Yugoslavia reportedly sought clarification of U.S. policy toward the Tito's régime at a meeting in Belgrade Oct. 12 of U.S. Amb.-to-Yugoslavia George F. Kennan and Mijalko Todorovic, vice president in charge of economic affairs. Todorovic was said to have cited U.S. newspaper reports criticizing Yugoslav foreign policy, particularly the Belgrade conference speech in which Tito supported the USSR on most international issues. Yugoslav officials were said to feel that there was nothing new in Tito's address.)

The N.Y. Times reported Oct. 16 that ex-Pres. Eisenhower had given Pres. Kennedy these reasons for the Yugoslav plane sale: (a) Yugoslavia would have turned to the USSR for aid if the U.S. had rejected its request for the planes; (b) the planes were regarded as too obsolescent to be of value in a major European war; (c) Yugoslav pilots, who would be trained in the U.S. under terms of the agreement, would be exposed to Western society and ideas; (d) U.S. technicians and maintenance men would be required to enter Yugoslavia to service the U.S. planes. Eisenhower's explanation of the agreement was in a document presented to Mr. Kennedy by Eisenhower's military aide, Brig. Gen. Andrew J. Goodpaster. [See pp. 304F3, 19G2; Vol. XX, 424D1]

Crop Shortage. The Yugoslav Chamber of Agriculture estimated Aug. 25 that the 1961 wheat harvest would total about 3½ million tons, or 800,000 tons less than the planned goal of 4,300,000. The 1961 corn crop was 2½ million tons short of the projected 7 million tons. The crop shortage was blamed on (a) prolonged autumn rains, (b) lack of winter snow cover, (c) a spring drought and (d) low output by independent peasants. [See Vol. XIX, p. 211B2]

ECONOMY

OECD Established. The Organization for Economic Cooperation & Development (OECD), a 20-nation body including the U.S. and Canada, came into existence and held its first meeting in Paris Sept. 30.

The new organization replaced the all-European Organization for European Economic Cooperation (OEEC) and its functions included the promotion of Western economies and expansion of foreign aid to underdeveloped countries. Canadian Finance Min. Donald Fleming was elected first chairman of the OECD Sept. 30; Thorkil Kristenson of Denmark became chairman at the official or permanent level.

The 18 European OECD member states: Austria, Belgium, Denmark, France, Great Britain, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and West Germany.

The OECD's foreign aid program, handled by the 10-member Development Assistance Group, had been in operation since 1960. The group's

name was changed to Development Assistance Committee Sept. 30. [See Vol. XX, p. 476B-F1]

Anti-Trust Cases. The Justice Department filed a price-conspiracy damage suit in U.S. District Court in Philadelphia Sept. 22 against 9 firms that produced "substantially all" electrical insulators made and sold in the U.S.

This was the government's 8th suit stemming from the Philadelphia price-conspiracy convictions. The suit was filed on behalf of the TVA, the Department of Interior, the Army Corps of Engineers, the Air Force and the Marine Corps. Defendants: General Electric Co. (Schenectady, N.Y.), Lapp Insulator Co. (LeRoy, N.Y.), I-T-E Circuit Breaker Co. (Philadelphia), A. B. Chance Co. (Centralia, Mo.), McGraw-Edison Co. (Elgin, Ill.), H. K. Porter Co., Inc. (Pittsburgh), Ohio Brass Co. (Mansfield, O.), Porcelain Insulator Corp. (Lima, N.Y.) and Joslyn Manufacturing & Supply Co. (Chicago). Joslyn was named in the new suit as successor to Porcelain Insulator, absorbed by Joslyn in 1960. [See p. 135C-F2; Vol. XX, 462B-D3]

Westinghouse Electric Corp. filed a $31,971,793 counterclaim in U.S. District Court in Chattanooga, Tenn. Sept. 18 against the TVA. The TVA's $20 million breach-of-contract suit, filed in July, had asserted that turbo-generators installed by Westinghouse in 1951 and 1952 at 3 steam plants were defective. Westinghouse denied the charge and claimed that the turbo-generators actually had power-making capacity $17,785,171 in excess of specifications.

These 12 rural electric cooperatives in Ohio filed 20 triple damage suits in U.S. District Court in Columbus Oct. 4 against 22 electrical equipment manufacturers on price-fixing and conspiracy charges: Ohio Midland Light & Power Co. (Canal, Winchester), Guernsey-Muskingum Electric Cooperative (New Concord), Morrow Electric Cooperative (Mt. Gilead), Paulding-Putnam Electric Cooperative (Lancaster), Butler Rural Electric Cooperative (Hamilton), Marion Rural Electric Cooperative (Marion), Pioneer Rural Electric Cooperative (Piqua), Hancock-Wood Electrical Cooperative (North Baltimore), Buckeye Rural Electric Cooperative (Gallipolis), Tri-County Rural Electric Cooperative (Napoleon) and Northwestern Electric Cooperative (Bryan). Defendants: GE, Westinghouse, Allis-Chalmers Manufacturing Co. (West Allis, Wis.), I-T-E Circuit Breaker, Federal Pacific Electric Co. (N.J.), Joslyn, Porter, Schwager-Wood Corp. (Portland, Ore.), Southern States Equipment Corp. (Hampton, Ga.), McGraw-Edison, Maloney Electric (St. Louis), Wagner Electric (St. Louis), Kuhlman Electric Co. (Troy, Mich.), Ohio Brass, Lapp Insulator, Porcelain Insulator Corp., Chance, Sangamo Electric Co. (Springfield, Ill.), Cutler-Hammer, Inc. (Milwaukee, Wis.), Square D Co. (Detroit), Hubbard & Co. (Chicago) and Cornell Dubilier Electric (South Plainfield, N.J.). Alleged co-conspirators: Norbute Corp. (N.Y.), Murray Manufacturing Co. (N.Y.), Wadsworth Electric Manufacturing Co. (Covington, Ky.), Zinsco Electric Products Co. (Los Angeles), Cole Electric (Culver City, Calif.), Memco Engineering and Manufacturing Co. (Commack, N.Y.), Royal Electric Manufacturing Co. (Chicago), and Usco Power Equipment Co. (Birmingham, Ala.).

U.S. Judge Harry C. Westover in Los Angeles Oct. 12 allowed the Los Angeles Water and Power Department to drop its price-fixing charges against 9 electrical equipment manufacturers. Deputy City Atty. Robert E. Moore Jr. had requested the dismissals to "simplify the issues and save time and expense" in litigation. The 9 companies, who were eliminated as defendants in the suit but were named as co-conspirators: Federal Pacific Electric, I-T-E Circuit Breaker, Cornell-Dubilier Electric, Porcelain Insulator, A. B. Chance and H. K. Porter. Remaining as defendants in Los Angeles' $19 million triple damage suits involving the department's purchases of electrical equipment from 1955 to Sept. 1960: GE, Allis-Chalmers, Sangamo Electric, Westinghouse Electric, McGraw-Edison Co., Lapp Insulator and Ohio Brass Co. Sangamo was dropped from a power capacitors trust suit, but remained as a defendant in an electric meters suit. McGraw-Edison was dropped from an insulator suit, but remained as a defendant in a distribution transformers suit. [See pp. 48A3, 135E2, 211D2]

A federal grand jury in New York Aug. 17 indicted 3 of the U.S.' largest manufacturers of antibiotic broad-spectrum drugs (aureomycin, terramycin and tetracycline) and 3 of their executives on charges of monopoly and price-fixing since Nov. 1953 of production and distribution. The 3-count indictment charged that patients, druggists, wholesalers, hospitals and government agencies were forced to pay "unreasonably high prices" for the drugs.

U.S. retail sales of the drugs totaled $250 million in 1959; the indicted companies accounted for 70% of the total U.S. sales.

Defendants: Charles Pfizer & Co., Inc. and John E. McKeen, board chairman and president; American Cyanamid Co. and Chrmn. Wilbur G. Malcolm; Bristol-Myers Co. and Pres. Frederic N. Schwartz, all of N.Y. City. All 3 firms denied the charges. Named as co-conspirators, but not defendants: Olin Mathieson Chemical Corp. (N.Y.) and Upjohn Co. (Kalamazoo, Mich.). [See p. 249B-E2]

The U.S. Agriculture Department Sept. 14 accused 7 meat-packing companies, 3 national food store chains and 2 lamb dealers of manipulating or controlling lamb prices and restricting competition in its purchase.

Those accused: Packers—Armour & Co., Swift & Co., Wilson & Co. and John Morrell & Co., all of Chicago, James Allan & Sons (San Francisco), Goldring Packing Co. (Los Angeles) and Rath Packing Co. (Waterloo, Ia.); chain stores—Great Atlantic & Pacific Tea Co. (N.Y.), Safeway Stores (Oakland, Calif.) and American Stores Co. (Philadelphia); dealers—Dwight L. Heath of Lamar, Colo. and Perry Hollye of Ogden, Utah. The charges, denied by Armour, Swift, Wilson, Rath and Safeway, were brought after a 2-year departmental investigation.

A federal grand jury in Los Angeles Oct. 12 indicted General Motors Corp., 4 Chevrolet sales executives and 3 Chevrolet dealers associations on charges of conspiring since 1960 to prevent Los Angeles-area Chevrolet dealers from selling cars through discount houses and referral services. The indictment was the first involving auto sales through such outlets. Sales of cars through discount houses and referral services had risen from a few hundred cars in 1953 to more than 2,000 (estimated retail value: $5 million) in 1960. Retail Chevrolet sales in the area totaled about $250 million in 1960.

OBITUARIES

Zoltan Korda, 66, Hungarian-born film director and producer ("Cry, the Beloved Country," which won 1952 David O. Selznick Silver Laurel Award for English films, "Elephant Boy," "The Thief of Bagdad"); Oct. 13 in Beverly Hills, Calif. of heart attack.

Chico (Leonard) Marx, 70, comedian, oldest member of Marx Brothers team; Oct. 11 in Hollywood, Calif. of heart ailment. [See Vol XVIII, p. 288E2]

Paul Ramadier, 73, first premier (Socialist) of 4th French Republic (Jan. 22-Nov. 19, 1947); Oct. 14 in Rodez, France. [See Vol. XVI, pp. 55E1, 136C2, 153A3; XVIII, 394E3]

World Food Costs Up. The UN Food & Agriculture Organization reported Oct. 14 that retail food prices were rising steadily throughout most of the world. During 1953-60 such prices (a) rose more than 20% in 28 countries, (b) rose more in underdeveloped nations than in advanced ones, (c) rose only slightly in 33 countries, (d) rose 33% or more in some Latin American and Far Eastern countries and (e) fell in only 7 countries. [See Vol. XVI, pp. 121C3, 122G3-123A1]

Consumer Spending Changes. Total U.S. personal consumption expenditures rose from $233 billion in 1953 to $239 billion in 1960, it was reported Oct. 7. The statistics were supplied by Louis J. Paradiso, the Commerce Department's chief statistician, and by the Chase Manhattan Bank. Spending for goods declined from 65¢ out of every consumer dollar spent in 1953 to 60¢ in 1960, and spending for services rose from 35¢ out of every consumer dollar spent in 1953 to 40¢ in 1960. The amount of money spent by consumers for food rose from $65 billion in 1953 to $80 billion in 1960 although food's share of the consumer's spending dollar declined at the same time from 28¢ to 24¢.

Overseas Investment. U.S. and West German business groups agreed in Paris Oct. 5 to establish a liaison committee for "concrete action to foster multi-national private enterprise participation in the economic plans of newly developing nations." The groups, headed by Emilio G. Collado, a Standard Oil (N.J.) director, and by W. A. Menne, vice president of the Federation of German Industries, were brought together by the Economic Committee of the NATO Parliamentary Conference in Paris. Sen. Jacob K. Javits (R., N.Y.), head of the committee, said the committee sought to stimulate private investment in underdeveloped countries. [See Vol. XIX, p. 305A-C2]

Business & Financial Summary

Week Ended Oct. 14

	This Week	Last Week	Year Ago
FINANCE:			
U.S. Treasury—			
Monetary gold stocks	*$17,350	*$17,380	*$18,615
Currency circulation	*$32,886	*$32,673	*$32,276
Banks—			
Com'l & ind'l loans§	*[a]$31,783	*$31,794	*$31,597
Agricultural loans§	*[a]$1,178	*$1,166	*$1,091
N.Y. bank clearings	$11,578,691,834	$16,246,501,922	$11,648,825,360
England note circulation	*£2,307,282	*£2,308,229	*£2,220,296
N.Y. Stock Exchange—			
Stocks sales (shares)	16,172,670	16,240,792	10,966,610
Stock avgs. (100 shares)**	261.46	261.05	219.83
Bond sales (par value)	$29,756,000	$27,415,000	$21,452,000
Bond avgs. (30 bonds)**	86.41	86.25	86.20
INDUSTRY:			
Auto output (cars & trucks)†	116,215	120,133	162,219
Crude oil (bbl. daily)	[b]7,112,010	7,155,860	6,802,560
Soft-coal output (tons)	[c]8,775,000	8,660,000	8,378,000
Electric output (kwh.)	*[b]15,035	*15,340	*14,107
Carloadings (cars)	[b]639,941	638,268	645,986
PRICES:			
Wheat (bu.)	$2.46¼	$2.44⅜	$2.36¾
Corn (bu.)	$1.42⅛	$1.34⅞	$1.37¼
Cotton (lb.)	$.3565	$.3555	$.3215
Steel scrap avg. (ton)[e]	$39.17	$39.17	$29.83
Wholesale food index‡	[d]$5.99	$5.99	$6.03
Weekly whlsl. index (BLS)¶	[a]118.5	118.5	119.2
BUSINESS:			
Dept. stores sales§¶	[b]164	156	155
Failures (Oct. 10)‡	330	286	343
Foreign Trade (Census Bur.)—	**Aug.**	**July**	**Aug. 1960**
Exports	*$1,652.7	*$1,637	*$1,609.4
Imports	*$1,242.8	*$1,371.4	*$1,228.1

*In millions **N.Y.Herald Tribune †Ward's estimate ‡Dun & Bradstreet ¶1947-49=100 §Federal Reserve Board [a]Member banks, 107 cities, Oct. 4 [b]Oct. 7 [c]Sept. 30 [d]Oct. 10 [e]Iron Age